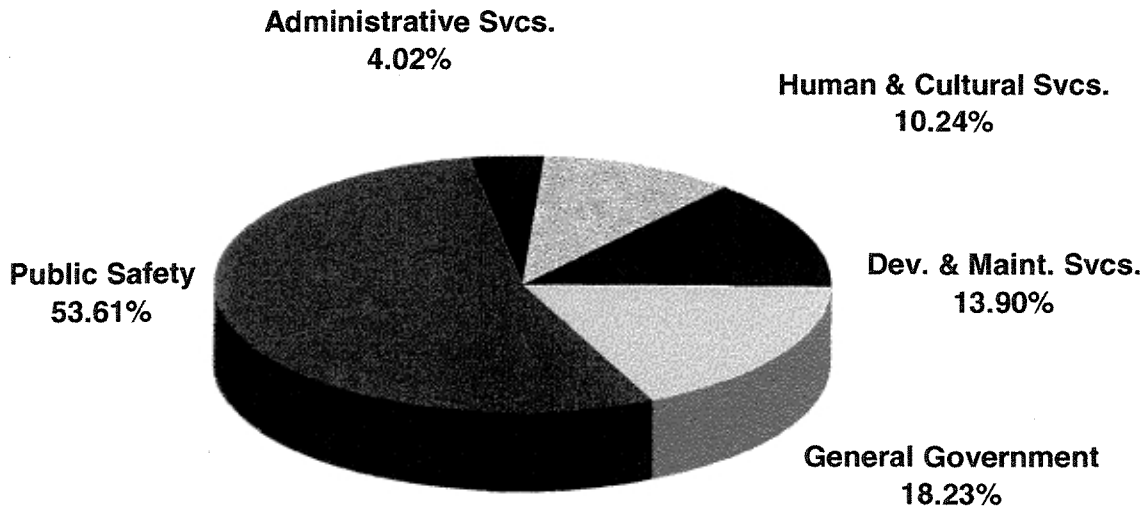

GENERAL FUND EXPENDITURE/OTHER USES SUMMARY

General Fund expenditures and other uses make up the largest portion of the City's FY2003 Budget. These expenditures and other uses are funded by revenues and other sources from property and sales taxes, franchise fees, licenses and permits, charges for services, grants, miscellaneous and other sources. (For a detailed explanation, see the General Fund Resources Summary).

FY2003 General Fund expenditures and other uses are allocated among twenty (20) departments and five (5) functional areas. The functional areas include Public Safety and Justice, Development and Maintenance Services, Human and Cultural Services, Administrative Services, and General Government. The following graph illustrates the allocation of these expenditures and other uses.

**GENERAL FUND EXPENDITURES/OTHER USES
FY2003 BUDGET**



Total = \$1,428,862,566

OVERVIEW

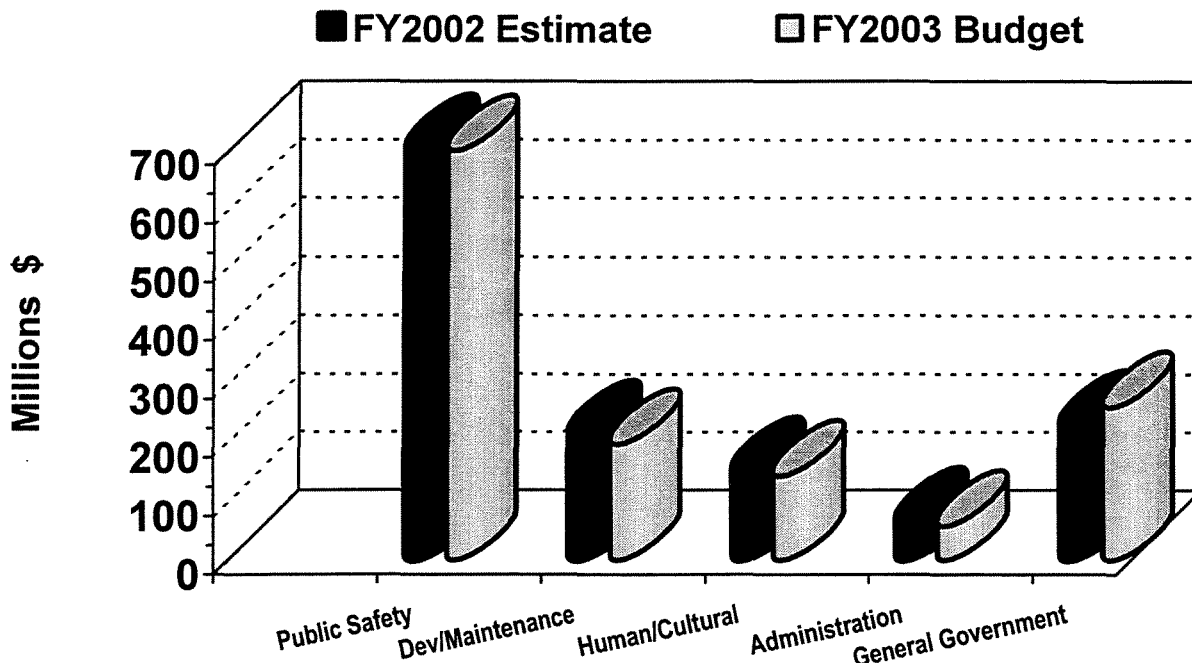
The largest single category of expenditures and other uses in FY2003 is Public Safety with 53.61 percent of the total General Fund expenditures and other uses, followed by General Government, Development and Maintenance Services, Human and Cultural Services, and Administrative Services with 18.23, 13.90, 10.24 and 4.02 percent, respectively.

General Fund expenditures will continue current service levels, annualize programs begun in FY2002, and meet federal mandates.

The City will continue to comply with federally mandated regulations resulting from the Americans with Disabilities Act (ADA), rules governing underground storage tanks and the discharge of storm water. The City is subject to increased costs for some contractual services, including janitorial, computer, garbage disposal services, as well as increases for Fire staffing, health benefits and classified compensation.

The following graph compares the FY2002 Estimate and FY2003 Budget by functional category. Please refer to the tables at the end of this section for comparisons among departments.

General Fund Expenditures/Other Uses FY2002 Estimate vs FY2003 Budget



The FY2002 Estimate for General Fund expenditures/other uses totals \$1,375.1 million with the FY2003 Budget increasing by \$53.8 million to \$1,428.9 million.

The following section provides highlights of FY2003 General Fund expenditures/other uses by functional category and department.

Public Safety and Justice

- The Public Safety and Justice functional category includes the departments of Police, Fire, Municipal Courts - Administration and Municipal Courts - Justice.
- The Police Department's FY2003 Budget includes funding for classified employees, ordinated step and longevity increases. Funding is also included for increases for higher Health/Life Insurance cost. Cadets for the replacement of officers lost through attrition are also included.
- The Fire Department's FY2003 Budget provides: 1) funding for four new cadet classes and overtime funding to maintain four person staffing on all engines and ladders and 2) staffing to extend services at Bush Intercontinental Airport in FY2003 with the opening of Fire Station #99 in October.
- Municipal Courts continues to achieve the Mayor's Neighborhood Oriented Government with continued service at the current level along with the expansion of annex courts at various satellite locations one day per week in Kingwood, Clear Lake and Acres Homes. The Municipal Courts are also in the process of installing and implementing a new integrated courts management system, Phase I of Motorola Contract, which involves the purchase of five Hand-Held Citation Issuance units that allow police officers to write citations in the field, as well as a Master Plan, which would allow for the refurbishing of the existing courtrooms and/or building of a new courthouse at 1400 Lubbock. As part of this plan, adequate parking facilities for both the courts and the Houston Police Department will be provided.

Development and Maintenance Services

The Development and Maintenance Services functional category includes the Building Services, Planning and Development, Public Works and Engineering, and Solid Waste Management Departments.

- The Building Services Department will support effective building management practices, minimize life cycle costs, optimize the useful life of City buildings, manage and oversee energy conservation and management programs for City buildings which will ultimately reduce City utility costs.
- The Planning and Development Department will continue to support and enhance Neighborhood Oriented Government and Economic Development. Programs such as Neighborhood Partnerships, Neighborhood Grants, and the 5th Annual Neighborhood Connections Conferences encourage neighborhoods to get involved in City government. The City's Geographic Information System (COHGIS) on-line will give all City departments the opportunity to use the power of GIS in the analysis of service requests and delivery systems.
- Goals for the Public Works and Engineering Department are to enforce the City nuisance ordinance by securing or demolishing dangerous buildings; installing 1,700 new street lights in response to the Mayor's Neighborhood-to-Standard Program; continuing to implement the Capital Improvement Plan by providing engineering/construction services, and initiating performance standards to ensure the division is in compliance with the Clean Air Act.
- The Solid Waste Management Department's core mission is to manage the City's municipal solid waste in an environmentally sound and fiscally responsible manner. The department will continue its role in the Mayor's "Cleanest City" initiative.

Human and Cultural Services

The Human and Cultural Services functional category includes the departments of Health and Human Services, Housing and Community Development, Library, and Parks and Recreation.

- The Health and Human Services Department goals for FY2003 include: improving communicable/infectious disease control and identification, the enforcement and environmental outcomes within the City, maternal and child health services and outcomes, departmental infrastructure to provide effective and efficient service to the community, and citizens access to health information and services. The FY2003 budget provides funding for the operation of the second floor of the Denver Harbor Center, and the Bureau of Animal Regulation and Care new kennel.
- The Library Department's renovation and reopening of four libraries in FY2003 will be a primary focus. These projects will include the upgrade of interiors and bringing the facilities into compliance with Americans with Disabilities Act (ADA) regulations. Locations slated for renovation include the Johnson, McCrane-Kashmere Gardens, Heights, and Walter Branch Libraries. Other facilities' projects include the re-design of the interior of the Jesse Jones Building of the Central Library, continued support on the joint library in Clear Lake to be built in collaboration with Harris County, and two new libraries: the Stella Link Library and a proposed library located in the Southwest Multi-Purpose Center, in joint partnership with the City's Health and Human Services Department. The Library will continue to provide services to youth through development of young adult collections, Power Card outreaches, and a modified Summer Reading Program for 12-18 year olds. Continued federal funding will support ASPIRE in our libraries, a unique program targeted to youth/teens and diverse communities. The development of a search engine on the Library's web site, and the first phase implementation of the Strategic Information Plan recommendations will significantly enhance our online services.
- The Parks and Recreation Department will continue to improve services provided at community centers and pools by maximizing the resources available as well as continue to foster partnerships with Harris County Commissioners to develop/redevelop parks. In FY2003, the department will work on developing a strategy for funding the Parks Master Plan that was adopted by City Council.

Administrative Services

The Administrative Services functional category includes the departments of City Council, City Secretary, Office of the City Controller, Finance and Administration, Human Resources, Information Technology, Legal, and Office of the Mayor.

- The Controller's Office will continue to fully implement the new Governmental Accounting Standards Board (GASB) model and enhance the department's web site. In addition to maintaining a fully functional internal audit organization following the guidelines and standards of the Institute of Internal Auditors, the Office will continue to manage the City's investments for high returns consistent with City Council policy while meeting cash flow needs.
- The Finance and Administration Department serves the citizens of the community and provides support to the City departments through sound management of the City's financial activities. It implements and monitors policies and procedures concerning the financial, administrative, and regulatory affairs of the City of Houston.

- The mission of the Information Technology Department (IT) is to manage and direct the City's IT services providing the most innovative and cost effective technology for the future of the City of Houston. IT also manages and directs the development and implementation of the Strategic Information Technology Plan (SIP) for the City as a whole and for individual departments, with the purpose of enhancing the use of information systems and related technologies with the City, and to establish standards for acquisition and/or development of computer systems based on the SIP.
- The Legal Department will continue to expand its use of the internet to conduct legal research and assist the Strategic Procurement Division with the implementation of e-commerce. The department will also continue to seek opportunities for the City to recover funds.

General Government

General Government expenditures/other uses include costs shared citywide, where costs cannot be attributable to any single department. The FY2003 Budget includes municipal pay increases, Houston Emergency Center lease payments, Debt Service payments, the Mayor's After School Program and certain citywide membership fees.